



Play Payments Policy

6/17/2020

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EXHIBIT 8025.R

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GOOG-PLAY-000559558.R

EXHIBIT 8025.R-001

Play Partner Program – Market Drivers/Risk, Rationale

Market Drivers/Risk	Play Strategic Response	Program	Partner Vertical	Play Fee	Key Terms
Industry structure/ biz model constraints makes 30% service fee untenable	Provide lower service fee in return for new platform adoption, policy compliance, and high quality apps	LRAP++	LiveTV	7.5%	Partner commits to ATV adoption, best-in-class mobile experience Eligibility criteria: - subscription business (unless Books) - 100k Android active installs
		LRAP	Video(SVOD)	15%	
		ADAP	Music		
		TBD	Books		
		News Publisher Needs	Broader Google initiative		
Partners launch off Play questioning 30% service fee	Provide xGoogle incentives to deepen partnership with Google	Games Velocity Program (aka Hug)	Game devs with \$1B+ in lifetime revenue	30% (reinvest 4-6%)	Play re-invests \$\$ to grow partner business on Play and encourage partners to lean into Google across-GCP, UAC, YT
Partners deintegrate GPB due to inconsistent/unclear policy	Provide xGoogle incentives to deepen partnership with Google & secure Play Billing integration	Apps Velocity Program (aka Hug for Apps)	Dating, comms, lifestyle, productivity	30% (reinvest ~10%)	Play re-invests \$\$ to grow partner business on Play and encourage partners to lean into Google across- GCP, UAC, YT Eligibility Criteria: - Subscription business - 1.5M Android MAUs

- Want to land with news big and small in terms of pricing; keep simple and understandable; technical integration it is what it is, but economics

Slide 2





- 1 I could be wrong, but I thought one thing Sameer liked about the previous slide was the that it had the partner category (including the games /apps column) so clearly delineated.
- I think this is harder to parse quickly. For instance, I find it confusing that games is in the middle....
Paul Feng, 6/17/2020
- 2 **Purnima Kochikar**@google.com I suggest moving Partner category and a re-added games / apps column to the far left.
Paul Feng, 6/17/2020
- 3 **Sameer Samat**@google.com suggested talking points -
- Play has always been partner centric and taken into account constraints imposed by industry structure/ business challenges for partners in the media and music industries with programs such as LRAP etc, which lower the Play Service Fee in return for partner investment in our strategic bets. ATV for example. These programs are going well. When we roll out the policy we expect to expand these programs to include more partners.
 - Over the last two years we have also been thinking of ways to deepen our partnership with game developers so we continue to provide value for the fee we charge, where we reinvest a part of our fees for driving developer business growth on Play/Android and increasing xGoogle investment. This is the Games Velocity Program, aka Project Hug.
 - As we roll out Play policy changes we believe we have an opportunity to similarly lean into app partners in the dating, comms, productivity verticals and deepen the xGoogle partnership and secure Play Billing integration.
- Purnima Kochikar, 6/17/2020
- 2 I was thinking about linearly telling the story that this is not new. We have been flexing our business model to address dev needs/sentiment/demands
- we have successfully done this across various verticals apps and games. I am not sure Sundar thinks about the world as Apps and games, to be honest. I think he views our partners as part of various verticals. That's how Don thinks about them as well. Apps and games is our classification that does not make much sense in the real world, IMO
- Purnima Kochikar, 6/17/2020
- 1 **Paul Feng** google.com see new slide version.
- Sam Tolomei** google.com please add eligibility criteria for the various App programs
Purnima Kochikar, 6/17/2020
- 1 updated criteria
Sam Tolomei, 6/17/2020

App Velocity Program: Extend Hug program to strategic app developers to ease transition to Play Billing and enhance x-Google value delivered

- Goal**
- Improve sentiment among top subs developers re: policy change and value of Play
 - Boost Play Billing adoption (less consumption-only)
 - Boost x-PA production adoption (GCP, Ads)

- Target Devs**
- Targeting ~19 devs (predominantly subscription-based)



- xGoogle Offer**
- 3-yr Hug-like xGoogle offering
- 



- Offer Size = ~10% effective Play rev share reinvestment to mitigate impact of transition to Play Billing




Smule Example (~\$30M 2020 Play Spend)

- Play marketing & promotions: \$1.4M
- Ads credit: \$1M
- Cloud credit: \$600K
- Total: **\$3M** (10% effective Play rev share reinvestment)

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We have several programs to improve sentiment around upcoming Policy Launch

LRAP (video)*	ADAP (audio)	SwG (news)	Apps Velocity Program	Apps Velocity Program	Apps Velocity Program
Amazon Video	Deezer	The Economist	Match	Tinder	Hinge
Hotstar	Gaana	The Times of India	Meetic	Pairs	Microsoft
GoPlay (GoJek)	SoundCloud	SPIEGEL ONLINE	LinkedIn	Plentyoffish	Calm
Vuclip	JioSaavn	ASAHI	Skype	okCupid	Headspace
iflix Sdn Bhd	Anghami	MAINICHI	ABCMouse	Smule	Shueisha
Sky UK Limited	TIDAL	SANKEI	Kakao Page	Naver	
MBC Group	Audible	FAZ.net	AfreecaTv	Badoo	
HOOQ	Amazon Music			Bumble	
Roku Inc.	NHN Bugs Corp				
Group Canal+ (Vivendi)	ProSieben				
RTL					
wavve					
NENT Group					
Hulu Japan					
Stan Entertainment					

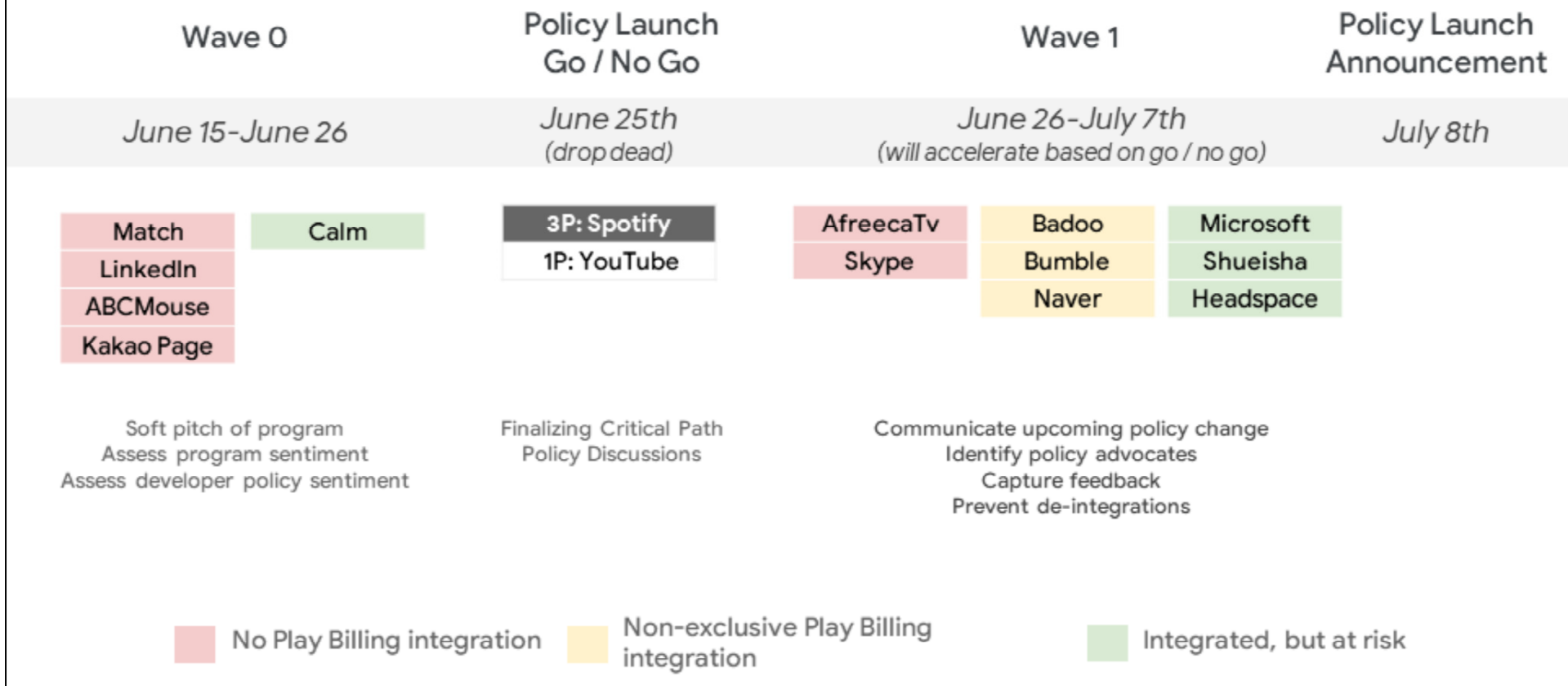
 No Play Billing integration
 Non-exclusive Play Billing integration
 Integrated, but at risk

*Top 15 by MAU,
10 more are targeted

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Proprietary + Confidential

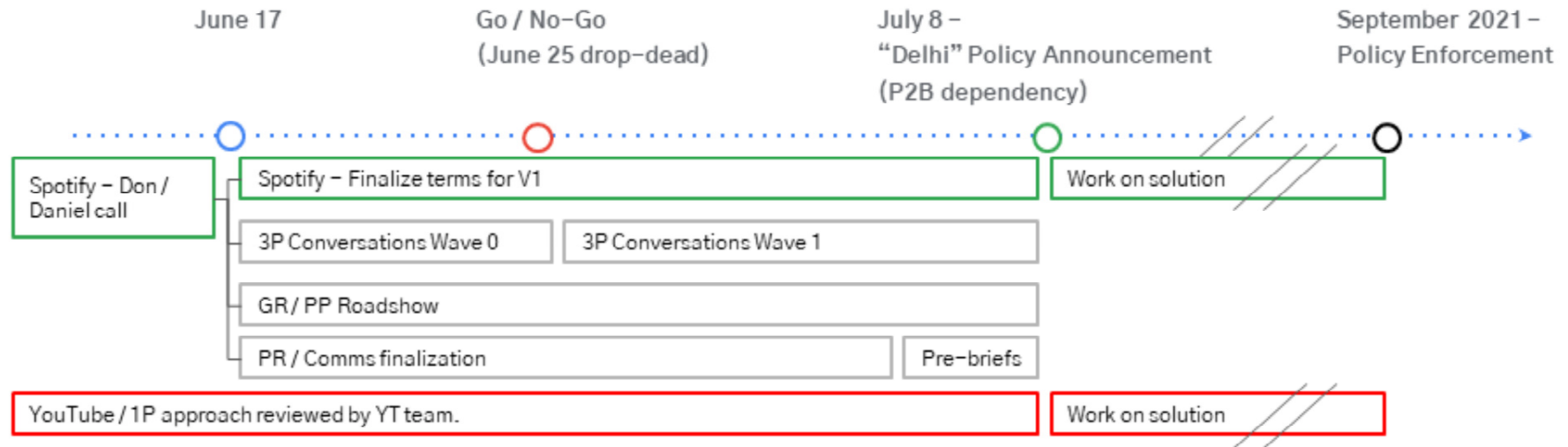
Accelerator Velocity Program Partner Briefing Timeline



Slide 5

- 1 thx good point
Danielle Martinak, 6/17/2020
- 2 **Danielle Martinak**@google.com FYI removed the match group entities that were listed, as we are approaching Match about all of them in Wave 0 (so i removed tinder, POF, okcupid, meetic, Hinge)
Sam Tolomei, 6/17/2020
- 2 *agree it makes for this slide but maybe not the previous?
Danielle Martinak, 6/17/2020

Timeline



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App Velocity Program Soft Pitch Approach

Policy strategy

- **100% GPB Compliant** lean into partnership appreciation for developers that are at risk of de-integrating but mainly compliant
 - Thank you for actively investing in Google Play. We would like to share a program that we created for you that is designed to deepen our partnership and bring you consolidated xGoogle value to help you grow your business
- **Non Compliant** lean into our policy ask AND commitment to providing technical support, xGoogle benefits
 - Your app is out of compliance with our payments policy, we are working towards a plan to enforce policy, which will impact you
 - We understand that this is a big decision for you, and want to work closely with you to find both a technically and commercially viable path forward. We want to bring not only Play value but also xGoogle offers to help grow your business. We also want to work with you to understand the timelines that are reasonable for you to make the shift.

Program Objectives

- Understanding their perceived Value of program
- Do Google Gets from the Developer sound reasonable?
- What timelines are feasible to be GPB compliant
- Would you be interested in being an advocate for GPB?

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How we're different from Apple



Dev Flexibility



Freedom to communicate w/ users	Emails OK	Does not allow
SKU Parity	Not required	Required for some (Hey.com vs. Netflix)
Want to use own systems / billing	"Modular" Billing EAP for Spotify, Netflix	Does not allow

Fair Treatment for 3rd Parties

Preferencing on Platform	No store bias, fair platform access	Recent changes to improve
	YouTube, 1Ps to use Play Billing and account for Play's service fee	Some 1P-only features used by Apple Music... rev share unclear

Economics

30% Unfair	Accelerators / Programs for key verticals	Video Partner Program
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Slide 8

Redacted - Privilege

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Agenda

Sundar

- Accelerators
- Apple differentiation

YouTube follow ups

- Music only
- Sync option discussion

Finance briefings

Marketing headcount issue for Accelerators

Next week

- PR / Comms

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Music Only Modular option

Who would qualify @ 23M subs?

- YT, Amazon Prime Music, Spotify, ~~Apple~~ (no integrations)
- Might qualify in future: Sirius (34M – no app yet)
- Probably don't qualify: Deezer, SoundCloud, Yandex Music, Gaana, JioSaavn and TIDAL

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“Mirroring” option

Ground rules:

- 1Ps and Play will generally need to stay entirely in sync, including cosmetic features.
 - All buy flow changes will require cross-team coordination
 - Play \leftrightarrow 1P – will this mean mutual veto?
 - Beta features : 1Ps can build beta features but must then be made available on GPB within 6 months of when it is available on 1P surfaces
 - Custom infrastructure must be shared.
- Run quarterly process to discuss and agree to agenda

Formalizing for 3Ps:

- Run a Netflix-like program to work with beta features with top devs
 - Regular cadence of business reviews / feature prioritization.
 - Dedicated EPU resources to build beta features for 3Ps

Assertion: Option 1 is more efficient

- 1 team could build YT features & Platformize those features for Play (instead of 2)
- Much less organizational syncing

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Slide 12

- 4 [REDACTED] Hareesh Pottamsetty@google.com [REDACTED] Andrew Zaeske@google.com [REDACTED] Mrinalini Loew [REDACTED]@google.com - I whipped this slide up yesterday and thought I commented you guys in. Thoughts?
Paul Feng, 6/17/2020
- 6 I don't know for sure, but this would be codifying it.
Paul Feng, 6/17/2020
- 2 I was interpreting this option as more the 3P developers could experiment with beta features the same way that 1P could. EAP is once *we* implemented a feature to test we recruit devs (1P & 3P) to test it out before GA
Mrinalini Loew, 6/17/2020
- 2 I just don't know how that would work technically though?
Andrew Zaeske, 6/17/2020
- 1 don't we already do this with EAP features we've launched?
Andrew Zaeske, 6/19/2020
- 7 They would build on theirs stuff, and then we would need to replicate.
Paul Feng, 6/19/2020
- 1 Process would need to include what happens if beta feature is good for 1P but not positive for the platform. Who's responsibility would it be to iterate the feature to make it a positive feature for the platform?
Mrinalini Loew, 6/19/2020
- 5 I think we would just need to release it.
Paul Feng, 6/19/2020

Upcoming Finance Briefings on 1P implications

Audience for 6/18 Finance briefing

- Ruth's Direct Reports who manage P&Ls for YT, Nest, Stadia and G1 | Partner with Neal and Rick
-

Goals of the briefing

- **Context:** Business, Policy & Regulatory risks driving Policy update (Tia/Mike Lawrence/ Miguel will address)
- **Implications to Impacted 1P:** Sizing, prelim xPA margin impact and profitability shifts
- **Introduce concept of Margin Test** as a potential solution
- **Clarify Finance's role** in risk remediation
 - Support Legal in assessing viability of Margin test as a potential solution:
 - If margin test viable - support legal in creating appropriate audit trail for regulator reviews
 - If margin test not viable - support BD & Legal in assessing financial impact of potential xPA deal structures to balance regulatory risk and Google profitability
- **Next steps:** Implementation timeline and workstreams

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Slide 13

- 1 Hi Paul - summarized audience and goals of the briefing. Lmk what you think.
Divya Chandra, 6/17/2020
- 8 Divya Chandra@google.com, Josh O'Connor@google.com - would it be possible to put in a slide that talks about the upcoming finance briefings, and who is being briefed this week?
Reassigned to Divya Chandra
Paul Feng, 6/17/2020
- 1 Christian Cramer@google.com
Josh OConnor, 6/17/2020

Accelerators - Marketing Staffing issue

Background: The Accelerator program requested 8 FTEs at BC of which 0 have been funded; in the interim, scope currently being covered by existing Hug resources except the following which cannot be absorbed:

- Marketing Controller (1HC) – Christian working with Finance leadership to staff

One is blocking the marketing offering from being included in the program (which makes up ~20% of the offers):

- Consumer Marketing (1HC) – **Looking for headcount commitment from Sameer**

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Slide 14

- 3 Ok thanks will rework the slide
Danielle Martinak, 6/17/2020
- 4 Updated, LMK if it's still unclear
Danielle Martinak, 6/17/2020
- 1 from my perspective this is a non issue - we have fund a temporary funding solution and are hiring - so I am not convinced we need to have it on the chart
Christian Cramer, 6/17/2020
- 2 all 8 HC will eventually have to be funded though - think that needs to be made clear
Christian Cramer, 6/17/2020
- 2 Danielle Martinak@google.com
As per ping, Christian tells me the team is open to hire for this role so it should not be a blocker.
- Christian Cramer@google.com
Paul Feng @google.com FYI
Josh OConnor, 6/17/2020
- 5 Good to call out 1 of 8 is in the works, makes sense thanks
Danielle Martinak, 6/17/2020